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THE ECONOMIC SITUATION IN POLAND, MARCH 1949

Introduction

With the increase in manpower and in means of production, the economic situation in Poland, in the first quarter of the current year, shows remarkable improvement.

Over-all industrial production continues at high speed, exceeding the total for the corresponding period of 1948 and the plans for the first quarter. The textile industry has already completed the 3-year plan. Along with industries producing primary raw materials (coal, petroleum, power) and intermediate products (metallurgy, metals, and shipyards), the food-processing industry has taken a leading position, reaching the highest production level for the first quarter and greatly exceeding the plan for March.

After a comparatively mild winter, the frosts and snowfalls early in March did not cause any great damage but merely retarded spring sowing. A record quantity of seeds, 150,000 tons, and fertilizer 537,000 tons, was distributed. The quantity of fertilizer used was 13 percent greater than that used in the corresponding period last year and almost equalled the total consumption of fertilizer in the agricultural year of 1937-1938 (570,000 tons). The area sown is expected to be one million hectares larger than last year. As adequate supply of fertilizer and technical equipment this season will facilitate the achievement of the plan.

The program of contracting for slaughter animals and industrial crops was unusually successful. According to the plan, 1,150,000 hogs will be brought under contract this year. As of 31 March, the number had already reached 800,000 (70 percent). More than 106,000 tons of cran and mash were distributed. The plan of contracting for industrial crops, embracing 508,500 hectares, was completed 100 percent and exceeded by 12 to 23 percent in some varieties.

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Improvement may be seen in the flow of commodities. Through successful control by the socialized economy, supply has increased and a general stabilization of the commodity market is noted.

Metallurgical Industry

The production plan for March was completed as follows (preliminary data):

Table 1. Production Plan for March

	<u>Feb in %</u>	<u>Mar in %</u>
Coke	112	110
Pig iron	108	106
Raw steel	111	108
Rolled products and seamless tubes	100	99
Forged and pressed products	94	111

In tonnage March production exceeded the production of the previous month, and the production of raw steel and rolled products reached a new high.

The volume of metallurgical products exported in March reached 23,600 tons, tripling the February export. The importing countries, in the order of their importance, were the Soviet Union (7,400 tons), Sweden, Yugoslavia, and Holland.

Domestic consumption reached 118,000 tons, the largest consumers being the Ministry of Communications, the metal industry, and the coal industry.

The production of the Associated Enterprises of Nonferrous Metals for March was as follows (preliminary data):

Table 2. Percentage of Nonferrous Metal Production

	<u>Feb 49</u>	<u>Mar 49</u>
Zinc	108	113
Sulphuric acid	113	114
Sulphur	101	108
Lead	98	102

A marked increase in the extraction of domestic ores was noted.

Production of electrolytic copper, started in December 1948, is steadily increasing but has not yet reached the volume estimated in the plan.

Petroleum Industry

According to provisional data, the plan for March was achieved 107 percent in petroleum production, 93 percent in production of natural gas, and 123 percent in crude gasoline production. The volume of production exceeded that of February.

Table 3. Percentage of Plan Achieved in the Production of Important Items of the Petroleum Industry

<u>Products</u>	<u>Feb 49</u>	<u>Mar 49</u>
Gasoline	96	104
Kerosene	177	94
Gas oil	137	106
Lubricating oil	92	109
Asphalt	131	113
Solid lubricants	130	237
Paraffin	104	103

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To facilitate operations, various technical improvements and administrative changes have been made. In place of the former Dyrekcja Kopalnictwo Naftowego (Petroleum Extraction) in Krosno, there are now three independent directorates: Krosnianskie Kopalnictwo Naftowe, Sancekie Kopalnictwo Naftowe, and Gorlickie Kopalnictwo Naftowe.

Systematic norms for the consumption of raw materials and for warehousing are being set up. Strict accounting of the consumption of raw materials will be introduced. Waste is being reduced by recovery methods, thus reducing the volume of imports. Prospecting and drilling equipment is used repeatedly. Wherever possible, substitute materials replace materials which must be imported.

Power Industry

The public utility plants subject to CZE (Central Power Association) produced 371,867,000,000 kilowatt-hours of electric power (preliminary data) in March of the current year, achieving the plan 102 percent. The production of the thermoelectric power plants was 330,078,000,000 kilowatt-hours, hydroelectric plants 41,789,000,000 kilowatt-hours.

The quarterly production plan was achieved 100.3 percent. Restrictions on the consumption of power were lifted throughout the country at the end of March.

Adequate preparation for peak loads, repair of machinery and widespread labor competition were responsible for smooth operation, with no stoppages in distribution to limit industrial production. The Power Association of the Lodz Region is working on blueprints for a thermoelectric station in Lodz and a high-tension line, 110 kilowatts, 40 kilometers long. This line will enable surplus power to be relayed from the Tomaszow plant to Lodz.

In the first quarter, the 171 producing gas works remaining under the technical supervision of the Central Power Board produced 79,519,102 cubic meters of gas, 121,000 tons of coke, and 7,940 tons of coal tar.

The associations having the biggest production above the plan were the following: the Krakow 125 percent, the Warsaw 120, and the Gorny Slask 107.

Metal Industry

Production during this period was satisfactory.

Table 4. Important Items Produced by the Central Board of Metal Industry Plants (preliminary data)

<u>Items</u>	<u>No of Units Completed</u>		<u>Percent of Plan</u>
	(Feb 49)	(Mar 49)	(Mar 49)
Wood and metal-working machine tools	363	386	90
Railroad passenger cars	18	18	106
Coal cars	1,231	824	114
Motorcycles	167	314	108
Agricultural machines	25,218	33,253	117
Cables	506	638	95
Textile machinery (tons)	-	420	97
Looms	40	42	105
Lickoff heads	5	5	63

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Several branches of the industry did not complete the plan because of temporary difficulties in connection with raw materials and machines. On the other hand, the over-all production was satisfactory and the plan was exceeded by many branches of the industry as shown in Table 5.

Table 5. Value of Production, First Quarter of 1949 (1,000 zlotys in 1937 prices)

<u>Industries</u>	<u>Plan</u>	<u>Actual</u>	<u>Percent</u>
Machine tools	15,620.9	16,450.6	105
Implements	12,502.6	13,317.9	106
Railroad rolling stock and equipment	76,007.9	77,806.4	102
Motorization	21,211.0	21,217.0	100
Machines	20,089.7	20,976.2	104
Castings	26,580.5	29,515.8	111
Sheet-metal products	16,003.7	19,347.1	121
Wire products	31,307.2	32,887.2	105
Boilers	23,137.3	24,179.3	104

The overachievement of the production plan for the first quarter was partly the result of the establishment of new technical norms and new collective agreement in the metals industry, effective 1 January 1949. Special notice should be taken of the production of machine tools responsible for the production of other means of production.

The production of the Association of the Textile Machines Industry was exceptional -- the 3-year production plan being completed far ahead of schedule. Besides producing the most complicated machines, Poland is also producing many spare parts. The export of textile machines is progressing satisfactorily.

Electrotechnical Industry

The planned value of the quarterly production was achieved 101.4 percent.

In March, production reached 4,921 tons or 100 percent of plan.

Table 6 gives production figures for the more important products of the electrotechnical industry.

Table 6. Production of the Electrotechnical Industry (preliminary data)

<u>Items</u>	<u>Feb 49</u>	<u>Mar 49</u>	<u>Plan in % Mar 49</u>
Rotary machines (units)	2,823	3,262	117
Transformers (units)	472	328	109
Meters and electric clocks (units)	14,830	15,830	112
Cables and wires (tons)	2,104	2,251	99
Batteries and elements (tons)	119	98	136
Electric light bulbs (1,000 units)	1,965	2,423	111
Telephone apparatus (units)	7,100	3,835	73
Radio receivers (units)	5,893	8,360	111

The savings plan of CZPE for 1949 was estimated at 733 million zlotys; however, after summing up all the additional pledges, the figure has been increased by 400 million zlotys. The greatest gain comes from the increased productivity of labor (about 7.5 percent over last year) with special emphasis on the utilization of highly skilled workers.

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The efficient consumption of raw materials, auxiliary materials, and power should constitute a saving of about 270 million zlotys. The conversion of factories to specialized work and the standardization of products manufactured will have a real significance in the economy program. In employment the object will be to have a more economical ratio between the technical and factory workers, on the one hand, and the administrative personnel on the other.

Chemical Industry

The volume of production in March 1949 was exceptionally large. The value of production increased 13.8 percent over the previous month. The average production in March 1949 was 217 percent of the monthly average of 1947 -- a great advance in the last 2 years.

The planned value of production for March was achieved 110.8 percent.

Table 7. Production of Important Items, Central Board of Chemical Industry

Items	Volume Produced (tons?)		Plan in % Mar 49
	Feb 49	Mar 49	
Muriatic acid -- adjusted to 100% acid	521	461	123
Raw soda	16,210	17,028	102
Soda ash	9,240	10,461	107
Caustic soda	4,162	4,380	107
Carbide	12,027	12,902	101
Calcium cyanamid	13,203	14,100	101
Superphosphate	30,464	33,291	100
Crude tar	2,163	2,337	114

As seen in Table 7, the production plan was exceeded in all the main branches of the chemical industry -- the production of muriatic acid exceeded the plan by 23 percent. Production of other items also increased noticeably in volume, especially fertilizers -- superphosphate and calcium cyanamid -- and the soda divisions, which had not shown an increase for a long period. Investments and repairs in the soda plants were responsible for the increase in production.

Mineral Industry

The production plan for March was completed 130.2 percent. The value of production, in 1937 prices, was 27 million zlotys. This tops the monthly production for the first quarter.

Table 8. Production of Important Items, Minerals Industry

Items			Plan in % Mar 49
	Feb 49	Mar 49	
Quicklime (tons)	45,440	54,688	105
Portland cement (tons)	144,643	191,753	136
Window glass (1,000 sq m)	929	980	158
Bricks (1,000 units)	11,579	11,435	146
Tar roofing (1,000 sq m)	2,108	2,319	124

With the opening of the building season, an increase in the production of lime and cement is noted.

In March, 46,146 tons of cement were exported, an increase of almost 10,000 tons over the previous month.

A large cement factory in Szczecin, employing 200 persons, which had been greatly damaged and took one year to rebuild, was put into operation. The opening of this factory has great significance in maritime economy since the factory produces cement especially suitable for building port installations.

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This year the minerals industry expects to make a savings of 1,305,000,000 zlotys or 192 million zlotys more than in 1948 despite the increased production norms. The greatest savings will be brought about by increasing the productivity of labor 8 percent over last year. An unusually important factor in the savings plan is the improvement of production quality by increasing the production of high-grade products. This is especially important in the production of brick.

Wood Industry

The production plan for the first quarter was exceeded by 9 percent. The value of CZPD production in March was 14 million zlotys in 1932 prices -- exceeding by 3.7 million the production of the previous month and completing the plan 124 percent. The above figures indicate that the production of the last month of the quarter topped that of the previous months.

Table 9. Value of Production, Central Administration of Wood Industry According to Associations (1,000 zlotys, 1937 prices)

<u>Associations</u>	<u>Feb 49</u>	<u>Mar 49</u>
Dolny Slask	1,692	2,379
Krakow-Slask	1,406	1,730
Bentwood Furniture	893	1,110
Western	1,591	2,747
Central	920	1,271
Pomorze	2,516	3,763
Mazury	903	1,818
Zamosc	153	214
Bydgoszcz	414	561

As seen in the above table, all associations increased their volume of production. On the basis of absolute figures, the Pomorze Association takes first place. On the other hand, the Mazury Association showed the greatest percentage of increase over the previous month.

Table 10. Production of Important Items, State Wood Industry in March 1949

<u>Items</u>	<u>Production</u>	<u>Monthly Plan in %</u>
Lumber (cu m)	17,194	105
Soft boards	11,290	
Hard boards	3,837	
Others	2,067	
Boxes (units)	306,439	235
Thick walled	7,044	
Thin walled	299,385	
Bentwood furniture (units)	83,682	107
Chairs	67,929	
Arm chairs	3,368	
Other bentwood products	12,385	
Barrels (units)	18,037	107
for liquids	13,263	
for solids	4,774	
Veneers and plywood (cu m)	2,157	110

The CZPD production in March exceeded that of February in all items.

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In connection with the reorganization of the wood industry on the basis of the Order of the Ministry of Industry and Trade, 31 July 1948, the associations of the wood industry will be dissolved. In their place, state enterprises, each a legal entity in itself, will be established subordinate to the general direction of the Central Administration of the Wood Industry.

The purpose of the reorganization is to increase the efficiency of management in the state wood industry by increasing the operative flexibility of production sources.

In regard to the savings plan, the CZPD expects the figure to reach 336,418,000 zlotys. Most important is the savings in raw materials, 213,383,000 zlotys (including the efficient utilization of waste or scrap); and decrease in redundant employment, a savings of 97,687,000 zlotys.

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